

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF ROBERT J.)	APPEAL NO. 06-A-2461
GILLIHAN JR. AND CATHERINE GILLIAHAN from the)	FINAL DECISION
decision of the Board of Equalization of Valley)	AND ORDER
County for tax year 2006.)	

VACANT LAND APPEAL

THIS MATTER came on for hearing November 29, 2006, in Cascade, Idaho, before Board Member Lyle R. Cobbs. Board Member David E. Kinghorn participated in this decision. Appellant Catherine Gillihan appeared for herself. Assessor Karen Campbell, Chief Deputy Assessor Deedee Gossi, and Appraiser Charles Pickens appeared for Respondent Valley County. This appeal is taken from the decision of the Valley County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RP000780010080A.

The issue on appeal is the market value of vacant land.

The decision of the Valley County Board of Equalization is reversed.

FINDINGS OF FACT

The assessed land value is \$6,490. Appellant requests the land value be reduced to \$1,000.

The subject property is a .39 acre, triangular shaped parcel located on a sloping side hill with an irrigation ditch running through the lot. Subject is located in the Edwardsburg area near Big Creek, Idaho.

Appellant asserted subject's assessment was too high given the characteristics of the parcel. Taxpayer stated that government regulations prohibit the installation of a septic system on subject because such systems cannot be installed within 300 feet of a water source. Subject land is less than 150 feet across at its widest point. Appellant also said the steep slope of the

parcel render it unsuitable for building. Given these barriers to development, Appellant contended the property was worthless to any third party.

Appellant noted that subject was previously assessed as poor timber but when the timber reassessments were done, the parcel's classification was changed to subdivision. Taxpayer challenged the classification on the grounds that nothing could be built on the subject property and therefore could not be sold as a subdivision lot.

Respondent noted that subject was given a land grade of 1, which is the lowest grade available in the county. It was also stated that a 20% reduction was applied to the assessment due to the topography and a 50% plottage adjustment was also applied.

Both parties acknowledged there were a very limited number of sales in the area, however, Respondent presented three. The sales ranged in size from 1.9725 acres to 50.836 acres for prices between \$10,000 and \$120,000. The oldest sale was in 1988 and the most recent sale was in 2001. The sales provided were for lots with a land grade of 1.

Respondent conceded subject would have little value to an individual buyer, but claimed it did have some value because the ditch running through the property was used to irrigate a nearby parcel owned by Appellant.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

In assessing property for tax purposes, Idaho takes a market value approach as defined by Idaho Code § 63-201(10):

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellant contended the building restrictions placed on subject land rendered it useless for all purposes other than the current use as an irrigation ditch.

Respondent pointed to three sales in the area to support the assessment and also noted that a 70% adjustment was made on account of the physical features of subject.

The sales provided by Respondent are admittedly dated and thus make it difficult to arrive at a reasonable valuation of subject. The sales show a price range between \$2,359 and \$13,089 per acre. While Appellant is receiving some benefit from the irrigation ditch, it seems unlikely that subject’s value is approximately \$16,000 per acre as assessed. Both parties acknowledged that subject would have little or no value to a third party buyer. Accordingly, the decision of the Valley Board of Equalization is reversed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is, reversed, lowering the assessed value to \$1,000.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

DATED this 19th day of March , 2007.